

1 STATE OF TENNESSEE
2 DEPARTMENT OF COMMERCE AND INSURANCE
3 TENNESSEE EMERGENCY COMMUNICATIONS BOARD

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11 TRANSCRIPT OF THE PROCEEDINGS

12 January 24, 2008
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22 Cannon & Stacy
23 Court Reporters
24 117 Arrowhead Drive
 Hendersonville, Tennessee 37075
 (615) 822-9382

25 Reported by: Amanda F. Martin

1 APPEARANCES:

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3 Board Members Present:

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Mr. Randy Porter, Chair

Mr. Ike Lowry, Vice Chair

Mr. Charles Bilbrey, Member

Ms. Carolann Mason, Member

Mr. Freddie Rich, Member

Mr. Steve Smith, Member

Mr. James Sneed, Member

7 Board Members Not Present:

Honorable Tom Beehan, Member

Ms. Katrina Cobb, Member

9 Staff Members Present:

Ms. Lynn Questell

Executive Director

Mr. James Barnes

Accounting Manager

Mr. Rex Hollaway

Technical Services Director

Mr. Robert McLeod

Director of Audits

Ms. Carolyn Reed

Board Attorney

Ms. Monica Smith-Ashford

Director Government and

External Affairs

Ms. Vanessa D. Williams

Assistant to Executive Director

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1 CHAIR PORTER: Good morning, everyone.
2 It's good to see each and every one of you here this morning.
3 We will get started with the January 24th, 2008, meeting of
4 the Tennessee Emergency Communications Board.

5 For the record, let it show that
6 Mr. Tom Beehan and Ms. Katrina Cobb are absent from the
7 meeting this morning, but we do have a quorum.

8 We do need to remember Ms. Cobb in our
9 prayers. She had surgery yesterday. I haven't heard if
10 everything came out good or not. Hopefully it will. But
11 you-all remember her in your prayers.

12 Also, I would like to welcome our newest
13 board member this morning, Mr. James Sneed.

14 Glad to have you with us.

15 Mr. Sneed comes to us from Tipton County.
16 And he's the chairman of the ECB and also the county
17 commissioner, and he replaces Mr. Mike Taylor, who resigned a
18 few months ago. We are glad to have him on board.

19 MR. SNEED: Thank you.

20 CHAIR PORTER: Any items before we get
21 started on the agenda?

22 (Pause)

23 CHAIR PORTER: All right. We'll move
24 right in. It's not too bad today. I think I can get us out
25 of here by lunch, if everything goes good.

1 First item on the agenda is the report of
2 the executive director.

3 Lynn?

4 MS. QUESTELL: Thank you, Mr. Chairman.

5 I'd like to first report on the status of
6 our wireless carrier VoIP deployment. T-Mobile has activated
7 28 tower sites in the area around Knox County. They did that
8 on December 31st, and they intend to complete their Knoxville
9 area market turn-up for Phase I by the end of this month. And
10 they report that they are on track to complete their Phase II
11 activation by the end of February.

12 There's been no other significant changes
13 in wireless carrier deployment since the last meeting.

14 The following carriers are providing
15 Phase II services in Tennessee -- Advantage, Alltel,
16 Cingular -- which is now AT&T Wireless -- ClearTalk, Cricket,
17 Eloqui -- which recently merged with U.S. Cellular --
18 Sprint/Nextel, T-Mobile, Triton, U.S. Cellular, Verizon, and
19 Yorkville -- which is doing business as West Kentucky Network.
20 I think we are informed that they are phasing out their
21 Tennessee service.

22 Rex Hollaway -- the Board's director of
23 E-911 Technical Services -- continued to monitor VoIP
24 deployment to ensure that calls are being delivered over the
25 911 trunks and to determine whether the physical addresses

1 are correct.

2 I'm very pleased to report there have been
3 no reports of misroutes since the last meeting in October.

4 A few technical and operational issues.
5 Under Tennessee Code, the Emergency Communications Board is
6 directed to provide technical advisory assistance to any
7 district that requests it. And since Rex Hollaway became the
8 Board's director of E-911 Technical Service in October of
9 2005, I want to report that he has spent a significant amount
10 of time trying to fulfill the Board's responsibility under the
11 law.

12 Between October 1 and December 31, 2005,
13 he made 19 visits to 19 ECDs. In '06 he made 85 site visits
14 to 50 ECDs. And last year he made 83 site visits to 70 ECDs.
15 And that's not counting all the phone consultations that he
16 does. And I just wanted to have you join me in commending him
17 for his efforts to assure high quality statewide 911 service.

18 CHAIR PORTER: Good job, Rex.

19 (Applause)

20 MS. QUESTELL: Thank you.

21 I want to update the Board on the
22 progress of improving the GIS mapping system in Bledsoe County
23 ECD. Rex conducted a follow-up visit there on January 8th.
24 Mike Twitty, who is the director of Sequatchie County ECD, is
25 conducting their improvement, and he reports that the project

1 is actually ahead of schedule and should be completed before
2 the second quarter 2008 goal that the Board was looking at.
3 And that's based on Mr. Twitty's report that the accuracy of
4 the GIS data for the high density areas -- which is primarily
5 Pikeville -- is about 90 percent complete.

6 Mr. Twitty predicted that work on the low
7 density grid areas will start ahead of schedule and should be
8 finished prior to the third quarter 2008. So we will continue
9 to keep the Board apprised of the developments there.

10 I wanted to also report, the Board -- at
11 the past several meetings -- had considered recommendations
12 and adopted the recommendations about the new UPS system
13 that's being used in Henry County. And I wanted to report
14 they had a true power failure within the last 60 days, and the
15 new UPS system worked fine.

16 Wayne County opened a new PSAP in January.
17 I visited it. I was very impressed. It incorporates a number
18 of state-of-the-art concepts. One that particularly impressed
19 me was that it's built into a hill out of very well reinforced
20 concrete. They had pictures of an earth mover sitting on top
21 of the finished building.

22 But they have quite a number of tornados
23 there and this is hoped to be tornado proofed. And I just --
24 also, this was built with a lot of local cooperation and
25 everyone was behind this project. And I would like to commend

1 them for this accomplishment.

2 And, finally, last month Hamilton County
3 formalized an agreement to unify dispatching operations
4 with the City of Chattanooga and Hamilton County. So the
5 dispatching will now be under the district management. And
6 this is a major accomplishment that has been in the works for
7 years. And I also wanted to commend them for getting this
8 done.

9 A report on the \$150,000 Essential
10 Equipment Reimbursement Program, as of January 8th, 2008,
11 79 districts had either been paid or are in the process
12 of being reimbursed for requests totaling \$8,432,392.
13 Twenty-four districts have requested the maximum amount of
14 \$150,000. Ten more have less than \$10,000 left in their
15 allocation. And 21 districts have not initiated any action
16 toward requesting any of the \$150,000 here available to them.

17 To report on the status of the \$14 Million
18 Operational Funding Program, the funds from that program
19 continue to be disbursed along with the payments of the
20 25 percent wireless distribution, which is every other month.
21 And this was included in the Board's 2009 budget.

22 The Next Generation 911 project, staff has
23 continued its discussions with the Office of Information
24 Resources in the Department of Finance and Administration to
25 define the elements of the portions of the Next Generation 911

1 Network that would be the subject of our Board's RFP. This
2 is assuming that the Office of Information Resources
3 infrastructure would be sufficiently redundant and robust
4 enough to work for 911. Under our understanding with them, if
5 it is, 911 would still manage the 911 portion of that network.

6 And I wanted to just take a minute to kind
7 of go over what the plan is for this Next Generation 911
8 project because it really is going to significantly improve
9 911 operations in this state. And I just want to underline
10 how important that is. The plan will be that it will equalize
11 911 service across the state and increase functionality and
12 capability to all PSAPs. It's going to improve call transfer
13 functionality in the state.

14 I read an article just a few days ago
15 about this young lady that was having a diabetic seizure, and
16 she had to pull off the road. She was barely able to call and
17 she called her mom, and her mom had dialed 911. And the
18 article was about how wonderful it was that the PSAP people
19 convinced the mom to talk to the daughter to have the daughter
20 hang up and dial 911, and then they were able to find her.

21 Well, with the Next Generation 911, that's
22 not going to happen in Tennessee. What will happen is, if mom
23 gets called by daughter and mom calls dial 911, 911 will be
24 able to transfer calls and -- it may not actually solve the
25 problem of getting people to actually dial 911 instead of

1 their mothers, but this will really make a huge difference
2 in -- actually that wasn't the best example.

3 (Laughter)

4 MS. QUESTELL: Sorry about that.

5 CHAIR PORTER: You just kept digging. I
6 think the shovel handle broke.

7 MS. QUESTELL: Yeah. Sorry about that. I
8 was struck by that article. And I apologize.

9 What it will do, though, is in a
10 situation where you need to transfer a call, you will be able
11 to transfer the call. You can transfer from Memphis to
12 Mountain City under this -- under the NG-911. So -- and
13 you'll be able to also send maps. That's why this whole
14 statewide mapping program is so important, because we'll all
15 be operating off the same map, and so there won't be
16 opportunity for errors in that way.

17 This is also going to be so helpful in
18 backup and failover call rerouting, and it is to improve
19 reliability and redundancy in our network, as well. So
20 this -- it really is going to be a very important project.
21 It's the next thing. Everybody across the country will be
22 doing it, and we are positioning our self to be one of the
23 leaders in it.

24 Speaking of leaders, I wanted to report on
25 the progress of our non-initialized phone petition to the FCC.

1 We intend to file this petition in the next few weeks. What
2 we're asking the FCC to do is clarify its order on harassing
3 911 calls from non-initialized phones. That's phones that
4 aren't served by a carrier anymore. The FCC has -- as I'm
5 sure you-all know -- requires that any phone be able to dial
6 911 -- any cell phone -- even if people haven't paid their
7 bill or they've thrown it away or they've donated it to a
8 shelter or something like that.

9 The problem is that we are getting a
10 tremendous number -- as you-all know -- of non-valid,
11 non-emergency 911 calls in our PSAPs that are just clogging
12 them up. So Carolyn has prepared this petition. NENA and
13 NASNA will be signatories, as well as the State of Montana
14 911 program, New Jersey State 911 Commission, the Washington
15 State Enhanced 911 Program, Michigan, Florida, and Snohomish
16 County.

17 Washington has provided us with a survey
18 statistic about the problem in their area. Indiana is
19 conducting a survey of its 911 -- excuse me -- of its
20 non-initialized phone calls. And, presumably, they will be
21 filing a comment to our petition that will include those
22 statistics in it.

23 I think we all need to commend both
24 Carolyn and Monica for their work on this petition. The
25 big deal about it is that we do have statistics to back up

1 our argument. We're not just complaining in the dark. And
2 compiling these statistics has been quite a job. We actually
3 have reports of over 10,000 non-emergency calls from
4 non-initialized phones in a three-month period last year. So
5 it's a pretty major problem.

6 I also want to report on the Policy
7 Committee. The first meeting was held on December 13th, and
8 the topic was dispatcher and dispatcher training. We will be
9 disseminating a meeting summary of that in -- probably next
10 week.

11 The discussion was wide-ranging and
12 touched on issues like whether to certify dispatchers or
13 training courses, whether the TECB should provide training
14 courses, whether additional training requirements should be
15 adopted, whether there should be additional financial support,
16 whether there should be a requirement that in every PSAP more
17 than one dispatcher should be on duty at all times, and
18 whether dispatchers should be trained in EMT.

19 None of these -- there were no decisions
20 made. These were just topics that were discussed. And in
21 future meetings we will try to see if the Committee has any
22 recommendations about any of these issues.

23 As far as the legislation impacting 911,
24 at this point in time we don't know of any state legislation
25 that has been filed.

1 On the federal level, the 9-1-1
2 Modernization and Public Safety Act of 2007 was passed by the
3 House on November 13th. The Senate hasn't yet considered the
4 bill. This was a bill that was sponsored by Bart Gordon to
5 promote and enhance public safety by facilitating the rapid
6 employment of IP-enabled 911 and E-911 services and to
7 encourage the transition to a national IP emergency network.

8 The IP-Enabled Voice Communications and
9 Public Safety Act of 2007 was considered by the Senate
10 Commerce Committee, which has recommended that it be
11 considered by the Senate as a whole.

12 As far as NASNA activities -- that's the
13 National Association of State 911 Administrators that I'm a
14 member of. As I said, they agreed to be a signatory on our
15 FCC petition. And also they entered into a cooperative
16 agreement with the Department of Transportation -- the Federal
17 Department of Transportation -- to develop a model state 911
18 plan which will be necessary to qualify for funding under the
19 ENHANCE 911 Act of 2004.

20 So we will keep you apprised of the
21 developments of that because we always want to try and get
22 federal money and help you get it.

23 As far as TEMA activities, Rex continues
24 to work to enhance our relationship with TEMA. He's been
25 participating in disaster exercises with them. There are

1 frequent training events. And Jim Barnes has also
2 participated as our backup.

3 CHAIR PORTER: All right. You've heard
4 the executive director's report. Any questions for Lynn that
5 she went over?

6 (Pause)

7 CHAIR PORTER: All right. Hearing none,
8 then we'll move on to our next item, which is to consider
9 staff recommendations for the extension of landline rates
10 for Cumberland, Giles, Humphreys, Marshall, Rhea, Roane,
11 Robertson, Tipton, Unicoi, and Wayne County ECDs.

12 Who is going to take off with this one?

13 MS. QUESTELL: Me.

14 CHAIR PORTER: Okay.

15 MS. QUESTELL: The landline rates of these
16 districts were reviewed under the new revisions to Policy 14,
17 which were attended to a streamline review process. And this
18 is the first meeting where we've initiated and presented under
19 this new procedure.

20 Under the revisions -- how it works is,
21 Staff will notify the districts when their rates are about to
22 expire, and the districts will then file a report -- and we
23 have a form that you can use -- that will update your rate
24 increase application and your financial statement. Staff then
25 analyzes the reports and works with the districts to resolve

1 any kinds of questions or problems. And if there are no
2 issues that cannot be resolved, then Staff prepares a report
3 and recommends to the Board that the rates be extended, and
4 then the matter is placed on the agenda for the Board to look
5 at and consider.

6 The rates of 17 districts expired on
7 December 31st, '07. And after sending the district a reminder
8 letter, we received reports from the attendants that Randy
9 read off.

10 Washington County and Union County were
11 among those 17, but Washington is on the agenda to seek a rate
12 increase and Union is a separate agenda item.

13 Reports for the remaining districts --
14 Bledsoe; Hamilton; Johnson; Overton; Pickett -- were either
15 not complete or not received, and we are taking steps to make
16 sure their rates will be reviewed at the next meeting.

17 Staff has analyzed the reports filed by
18 these ten districts and has found that the contributions by
19 other governmental entities to them have not been reduced and
20 the justifications that they have presented for their rate
21 increase still appear valid. And Staff has found no reason
22 not to allow their current rates to be continued, and we would
23 ask the Board to vote to allow their current rates to be
24 continued.

25 CHAIR PORTER: Lynn, do we -- do you want

1 to set -- would it be a date set as to when they would sunset
2 again or --

3 MS. QUESTELL: There's a policy that makes
4 it three years.

5 CHAIR PORTER: Three years. Okay.

6 Okay. You've heard the request of Staff
7 to increase -- approve increase in these ten ECDs as they
8 presented before the Board.

9 MEMBER BILBREY: Chairman --

10 CHAIR PORTER: Yes.

11 MEMBER BILBREY: -- would you go over the
12 list one more time? The one that we are going to approve.

13 CHAIR PORTER: Sure.

14 Cumberland, Giles, Humphreys, Marshall,
15 Rhea, Roane, Robertson, Tipton, Unicoi, and Wayne.

16 MEMBER BILBREY: Okay. Thank you.

17 CHAIR PORTER: Okay.

18 MR. McLEOD: Mr. Chairman, these are
19 continuations.

20 CHAIR PORTER: Right. They've already
21 been and we've approved. They've had these for some time, and
22 we're just extending them for three more years.

23 MEMBER LOWRY: Mr. Chairman, I move that
24 we approve them.

25 CHAIR PORTER: We have a motion by

1 Mr. Lowry. Do I have a second?

2 MEMBER RICH: Second.

3 CHAIR PORTER: I'll take Mr. Rich -- or
4 second by Mr. Rich that we approve the extension of the
5 landline rates for those ten ECDs just read.

6 Questions or discussion?

7 (Pause)

8 CHAIR PORTER: Hearing none, all in favor
9 say "aye."

10 THE BOARD: Aye.

11 CHAIR PORTER: All opposed, like sign?

12 (Pause)

13 CHAIR PORTER: Motion carries.

14 Next item on the agenda is consider
15 request by Union County for extension of emergency telephone
16 service charge.

17 Lynn, do you want to talk about that one
18 first?

19 MS. QUESTELL: Yes.

20 Union County, as I said, was one of the
21 districts that was scheduled to have a rate increase. It
22 couldn't be included in the group that was just approved
23 because there was a problem that Staff could not resolve. And
24 that problem was that the County significantly reduced its
25 contribution to the district. I would like to give the Board

1 a little bit of background to this situation.

2 This board authorized an increase in the
3 district's landline emergency service charge in 2002, and it
4 raised it to the statutory maximum of \$1.50 for a residential
5 line and \$3 for business. And this board, then, extended this
6 rate in March of 2005.

7 We have, in evidence, an interlocal
8 agreement dated July 2007 -- excuse me -- in Virginia County,
9 and the Union County Emergency Communications District entered
10 into an interlocal agreement for dispatching services. Under
11 this agreement the district provides dispatching for all
12 applicable county agencies -- including county ambulance
13 service, sheriff's department, volunteer fire and rescue
14 squad -- and in return, the County agreed to pay \$37,715.50
15 each quarter for an annual total of \$150,862.

16 In a budget adopted in the fall of 2007,
17 the Union County Commission significantly reduced its
18 financial contributions to the district. The district's rate
19 extension application confirms a reduction in support
20 indicating that local government is projected to contribute a
21 total of \$69,553 in 2008.

22 As I understand it, the County, at least
23 partially funded its 911 support through a .03 charge from the
24 local taxes. It is worth noting that after the district
25 started receiving its portion of the \$14 Million Operational

1 Funding, that's when the county commission voted to reduce its
2 contribution.

3 Recently the district board members
4 voted to request the County to reinstate contribution and
5 reconsider its cut in funding. And on January 15th, the
6 county commission voted not to reinstate the funding. And
7 after that vote the chairman of the district, Jim Houston,
8 resigned.

9 In the past, Union County and the Union
10 County Emergency Communications District did work well and
11 cooperatively together. And they have a lot to be proud of.
12 We've received no complaints about the quality of their
13 911 service, but the reduction in the County contribution is a
14 very serious matter, particularly coming after the \$14 million
15 distribution funding.

16 You-all remember at the 2006 budget
17 hearing the Governor expressed serious reservations about the
18 \$14 million program because of the fear that counties would
19 use that additional funding as an excuse to reduce their
20 contributions to 911.

21 This is the first time that the Board has
22 addressed this issue since the \$14 million funding was
23 distributed. There are a couple of policies and laws that are
24 applicable. Policy 14 -- which is the policy about getting
25 rate increases and rate extensions -- requires districts

1 seeking to increase or extend their landline rates to provide
2 the Board with an interlocal agreement with each local
3 governmental entity that contributes to facilities, resources,
4 and/or income of any kind to the district. And the interlocal
5 agreement in that is, the governmental entities must agree
6 that they will not decrease their contributions below what
7 they contributed to the district in the prior year. And this
8 has not been provided.

9 The other applicable authority would be
10 78-6-108, which basically reads that districts can set their
11 rates at 65 cents for residential lines and \$2 for business
12 lines. And the increase to any -- any increase over that can
13 be done only by referendum or by permission of this board.

14 I've talked with a number of
15 representatives of Union County and Union County Emergency
16 Communications within the past few weeks, and I think they
17 understand that this is a very serious issue.

18 Is there anyone from Union County that
19 would like --

20 MR. LAY: Yes, ma'am. There's five of us.

21 MS. QUESTELL: All right. If you could --

22 CHAIR PORTER: How about all of you that
23 are going to speak -- well, at least three of you come up and
24 sit at the tables here (indicating), and then the other two
25 just stay close behind them.

1 I specifically want to make the -- who is
2 the acting 911 board chairman, currently?

3 MR. LAY: Mr. Reed.

4 CHAIR PORTER: Okay. So we got him.

5 MR. LAY: He's the chairman. Mr. Bows
6 couldn't be here. He's the director.

7 CHAIR PORTER: You're the director. Okay.

8 MR. LAY: And I'm the mayor of Union
9 County. And this (indicating) is the county commissioner.

10 CHAIR PORTER: Would each one of you state
11 your name for the record so she can get it down?

12 MR. REED: Andrew Reed.

13 MR. LAY: Larry Lay.

14 MR. DAVIS: Greg Davis, County
15 Commissioner.

16 CHAIR PORTER: Okay. Who wants to speak
17 first?

18 MR. LAY: The way this issue came up --
19 the county commission, we met 18 times with the Federal
20 Finance Committee. We set the budget. And the 3 cents was
21 initially in there. When the county commission met to set
22 the provisional budget, it came forward that -- one of the
23 commissioners brought up that he wouldn't take 3 cents for
24 911, and they furnished health insurance for county employees.
25 That passed with nine votes.

1 Well, Mr. Bows, he was reluctant to vote
2 for it, but he said I think this would damage 911. And over
3 911 -- over the past -- I've been there nine years. But over
4 the past eight years -- which you know I came down here and
5 asked for the rate increase, and we needed that. And we still
6 do. But 911 services in Union County is just great. I would
7 put it up against any.

8 And the County has these laws. They're
9 going to make security grants to update the 911 center. And
10 they are in a county building, and the County is paying all
11 the utilities and all the insurance and everything for that.

12 But I -- we had another vote last month,
13 as you know, and it failed. And it lacked two votes passing.
14 Well, Mr. Davis wasn't there. He had an obligation out of
15 town on his job, and we had another lady -- she's got a real
16 bad sickness in her family, and she couldn't be there. And I
17 believe if they would have been there it would have passed.
18 We had three commissioners out.

19 I don't know it. But one spoke up
20 against it in the last county commission. He is a deputy in
21 Union County, and he is also a county commissioner. And he is
22 adamant about it. We've talked to him. And we took Lynn's
23 letter. And as I said, they all got a copy of it. We're down
24 here, and we still need the funding to operate this in.

25 We've got two dispatchers on duty. The

1 other day we had an ice storm up there. It just works great.
2 We don't have any problems. We got a Homeland Security Grant
3 to put a generator in the system. Eight years ago we had an
4 '62 model console radio. That's all we had. We have two
5 consoles now, and we've got two dispatchers on duty.

6 It really hurt -- it hurts me that this is
7 happening. I'm asking this board to give us the extension to
8 try to get the county commissioners to pass this. And I
9 believe they'll pass it. I really do. Some of them I don't
10 think they know how serious it is. And even one or two of the
11 county commissioners in the last meeting made a comment that,
12 well, we'll just see what they do down in Nashville before we
13 vote this.

14 But, you know, they had a letter from
15 Lynn. And I got up and talked at the last county commission
16 meeting. And some of them -- I don't know what their problem
17 is, but you've got to have nine votes to pass anything. I've
18 been there nine years, and I know you do. And I really think
19 they care about 911, but I just don't think they understand
20 how serious this situation is.

21 CHAIR PORTER: Mayor, how long of an
22 extension do you think you would need?

23 MR. LAY: Well, we have a county
24 commission each month. I believe these county
25 commissioners -- we've got another county commissioner

1 right here, Joyce Meltabarger.

2 And he's on the Board of Directors. This
3 is Chad Faulkner (indicating).

4 And I believe that surely we can lobby
5 enough to get nine votes next time.

6 CHAIR PORTER: When do we meet again?

7 MS. QUESTELL: April 17th.

8 CHAIR PORTER: Would that give you enough
9 time, if we extended it?

10 MR. LAY: Yes, sir. Surely to goodness we
11 can get enough votes by then. I really -- seriously, I do
12 think that if this board -- you know, really -- I know you-all
13 are serious about this, and we're serious about this. And we
14 do not need our 911 to go downhill. It just wouldn't be good
15 for the county.

16 CHAIR PORTER: Mayor, I think -- speaking
17 for each one of these board members, you know, we have tried
18 to -- for this \$14 million, we had to fight a hard battle to
19 get all that through the state government to get the money
20 appropriated, and now it's flowing out to the districts. But
21 one of the things that was the worry is that what would happen
22 in your county would happen in others. And I think the Board
23 is taking a hard stance by creating the policies that we have
24 to make sure that that doesn't happen.

25 And I would hope that you could take back

1 a strong message to your county commission that I don't --
2 I've never seen this board roll over, and I don't foresee that
3 happening this time. And I hate to see -- we don't -- we want
4 to make sure 911 operates to the best of its ability in every
5 county, but at the same time, it's not a one-way street. You
6 know, dispatching and all that other kind of stuff was around
7 before 911 became into existence. And that's just from
8 sharing costs.

9 MR. LAY: I agree.

10 CHAIR PORTER: And so, hopefully, you can
11 come up with something.

12 They're asking for an extension until the
13 April meeting to try to get this passed. I guess --

14 MEMBER BILBREY: Chairman, can I?

15 CHAIR PORTER: -- do you have questions or
16 a motion?

17 MEMBER BILBREY: You mentioned Lynn's
18 letter. Do all the commissioners have a copy of that? Do
19 they understand that letter?

20 MR. LAY: Yes, sir. And even the
21 advice -- after Jim resigned -- he had been with 911 ever
22 since they first started in '91 or '92. And I told him, I
23 said, "Jim, I'm not going to accept that."

24 But he has got a son-in-law on the
25 911 board. And his blood pressure -- he has heart problems.

1 And I understand why he resigned, because it was really
2 getting to him. But we got a good board and ask for the
3 extension.

4 MEMBER BILBREY: You need to impress this
5 upon every one of them.

6 MR. LAY: We have. The vice chairman now,
7 Stanley Bows, he sent all the commissioners and all the board
8 members a letter. I don't know whether -- we didn't bring a
9 copy. But he told them to call Lynn, that this is a serious
10 situation and --

11 MS. QUESTELL: And they have called me --
12 quite a number of them.

13 MR. LAY: Well, that's good.

14 MR. QUESTELL. I have been delighted to
15 talk with them.

16 MR. LAY: And, really, I think some of
17 it -- we've got a good fund balance. I guess that's what some
18 of them were looking at. We had good fund balance in 911,
19 which you have to have. I guess they looked at that. And,
20 plus, the County employees didn't have insurance, and it
21 wasn't in the budget. And that one motion that night -- it
22 just took that 3 cents out.

23 CHAIR PORTER: Well, that motion got
24 bumped.

25 MEMBER BILBREY: It's not up to 911,

1 though, to fund that. You can't take it away from 911.

2 MR. LAY: No. I agree.

3 MEMBER BILBREY: That's your
4 responsibility.

5 MR. LAY: Yeah. That's the county
6 commissioner's responsibility, and I understand that.

7 CHAIR PORTER: Did --

8 MR. LAY: I wasn't for it.

9 CHAIR PORTER: I understand.
10 Mayor, did anyone else want to -- have
11 anything they wanted to say? Did anybody else?

12 MR. DAVIS: Yeah. I may.

13 CHAIR PORTER: Okay.

14 MR. DAVIS: And not to just butter you-all
15 up. I really mean this from the bottom of my heart.

16 CHAIR PORTER: Okay.

17 MR. DAVIS: I work in the technology
18 industry, particularly wireless. I work on reducing the
19 energy load on our nation's grid. And I applaud you for
20 you-all going with this Next Generation 911. That's truly
21 amazing.

22 CHAIR PORTER: Thank you.

23 MR. DAVIS: But what I wanted to add was,
24 I have somewhat of a different take on all this because, you
25 know, I was actually involved in that budget process. And,

1 of course, I'm a commissioner. I'm not on the 911 board. I
2 actually wrote me some notes down on the back of your
3 schedule. Of course, I'm very proud of what we have at 911.
4 Just like he said, we went from aging, old equipment -- we
5 have very good service now. My father had a serious heart
6 attack. They was there quick and got him what he needed to
7 keep him here with me. To protect your family is always a
8 great thing.

9 But, as you know, we're not necessarily
10 funding 911. We actually have a contract with them. We
11 change over in election. You know, sometimes there's debates
12 over whether dispatching is what it should be or not, whether
13 it should go back and forth. I think that was part of what
14 was going on.

15 I guarantee you this, when reduction
16 was brought up and everything, it has nothing to do with the
17 14 million. That's a coincidence. And I don't want you to
18 think that we are sitting here saying, well, we've got this
19 extra money, we're cutting that. I promise you, in every
20 budget finance meeting that was never brought up. In every
21 commission meeting that was never brought up. That was never
22 anyone's intention. But the facts are what they are, I
23 assume.

24 But right now 911 is doing real good. And
25 I don't want to give you a pity party. I just want to tell

1 you what the reality is in our county.

2 If you look at Union County on the map, we
3 are actually created from the points of five of our
4 surrounding counties. So we are, geographically, very small.
5 So we have a small resource to pull from. If you look at our
6 little county -- and then TVA's first lake was Norris Lake.
7 That covers a bigger portion of our county. And then the
8 State of Tennessee wildlife area covers the upper portion. So
9 we really do have a very small resource to pull from when it
10 comes to funding.

11 Union County has come a long way just
12 since I was young. I'm only 39 years old, but I grew up with
13 an outhouse in an old log cabin with one sink. To this day, I
14 still have neighbors that just have one sink in their house.
15 My best friend did not get indoor plumbing until 15 years ago.
16 So we are a poor county, too. And I realize there's lots of
17 poor counties here in Union County -- I mean here in
18 Tennessee, but, you know, we're still proud people.

19 And this year we had a lot of tough
20 decisions to make. And people have lived in Union County
21 there for generations. These poor people actually own their
22 land, and they pay taxes. And this year we had to make a
23 tough decision, and we increased our tax rate 20 percent. We
24 had to. There was a lot of emergencies that come up. And I'm
25 saying that this 14 million didn't play into it. There's a

1 lot of other situations that came out of it.

2 Also, unfortunately, with this 20 percent
3 tax rate, this was also our state reappraisal. And because
4 of land prices around that lake, everyone's land values have
5 went up. You know, land values going up don't help anybody
6 unless you're going to sell it. And so many of our people
7 have lived there for generations, and all they've got to do is
8 pay it. And I did the numbers in my own district. A huge
9 portion of our people are having over 50 to 60 percent tax
10 increase this year. And it's already been hard on a lot of
11 them. So this is some of the things we're facing.

12 But, yet, each time we've had different
13 situations where different agencies come up and they need
14 our help -- this year, in particular, the solid waste for
15 whatever -- I won't go into details -- but they needed bailed
16 out. We came up with the money, and we made that happen
17 without increasing our tax rate.

18 The school system, again, had a
19 significant problem, and we found a way to get 200-plus
20 thousand dollars to them this year without raising our tax
21 rate. The tax rate matters, and that's what these people pay.

22 I volunteer a lot for my church, and we
23 help a lot of the elderly people. And \$50 every February -- I
24 am not joking -- that means buying medicine or paying your
25 taxes. And that is something that I have, personally, taken

1 very serious.

2 So we are poor, but we are very, very
3 proud. And this, by no means, means that we're taking
4 advantage of this 14 million. I would really say that the
5 majority of the commissioners probably didn't even know about
6 it. And this is just a complete fluke.

7 CHAIR PORTER: We hope so. And we hope
8 that you-all can work this out before it comes back up.

9 I guess we're going to need a motion by
10 the Board to extend them to our next board meeting. And
11 maybe -- I'm not trying to put words in anybody's mouth -- but
12 maybe as a part of that motion that if the county commission
13 does not resolve this, that Unicoi's 911 district be here -- I
14 mean Union County's 911 district be here at the next board
15 meeting to show cause as to why we shouldn't decrease their
16 rate that they've had from the extension. But the floor is
17 open for motions, as far as what you want to do.

18 MEMBER BILBREY: I'll make that motion.

19 CHAIR PORTER: We have a motion from
20 Mr. Bilbrey. Do I have a second?

21 MEMBER MASON: Second.

22 CHAIR PORTER: Second by Ms. Mason that we
23 extend Union County's rate request for the extension until our
24 April meeting and allow the county commission, one more time,
25 to re-vote on this and hopefully be able to resolve the

1 whole issue.

2 And if you-all will just stay in contact
3 with Lynn and hope that we can get it worked out. And if for
4 some reason it's not worked out, then we need the 911 folks to
5 be here at the April meeting to be able to answer questions
6 and discuss what we're going to do on your rate extension.

7 MS. QUESTELL: Can I make a suggestion --

8 CHAIR PORTER: Sure.

9 MS. QUESTELL: -- as well?

10 Instead of just limiting the show cause to
11 whether -- show cause was why their rate should not be
12 decreased, it might be helpful to broaden that so that it's
13 not just the rates that -- I mean, there's that 14 million
14 that --

15 CHAIR PORTER: Cut out the 14 million.

16 MS. QUESTELL: -- why -- show cause why
17 there should not be some financial repercussion for the
18 County's decision.

19 CHAIR PORTER: Okay with that, Charles?

20 MEMBER BILBREY: Yes.

21 CHAIR PORTER: Okay.

22 MR. DAVIS: May I ask one other question?

23 CHAIR PORTER: Sure.

24 MR. DAVIS: I'm just asking your advice on
25 this, we have our tax rate now, which is quite high. Of

1 course, this will actually go into their -- you know, our
2 upcoming budget this year. If we could extend this into our
3 next budget -- I don't know if we can sign a resolution or
4 something and extend it into our next budget. We're doing,
5 you know, the State tax freeze for the elderly. If we can
6 keep this off our tax rate as an amendment for just -- until
7 the middle of summer, we can actually let our elderly come in
8 with a lower tax rate that's frozen. And that's important to
9 me. I don't know if we can do it. If we can't do it, we
10 can't; but, man, that would be great for them.

11 CHAIR PORTER: I don't know.

12 MR. DAVIS: I mean, if we extended it from
13 the April meeting to the summer meeting -- and maybe that
14 would be over our budget -- so that when we passed it, it
15 would be then. And then we're not tied into this year's tax
16 rate.

17 CHAIR PORTER: Well, I think what you're
18 doing is, you have to go back and you would have to add enough
19 in this year's budget to reimburse for this year's money, plus
20 next year's money, also. We don't want them to lose that
21 money.

22 MR. DAVIS: But we could do a resolution
23 to that now, I suppose. I don't know. I've never been -- you
24 understand what I'm trying to do?

25 CHAIR PORTER: Sure.

1 MR. DAVIS: That is a significant --

2 CHAIR PORTER: I would hope that you would
3 use that as a last resort, that you would just try to do it
4 the regular way to start with. And if that's the last resort,
5 you can always bring it back to the Board and we could look at
6 it, but there would be no guarantee, I don't think, that this
7 Board would go along with that.

8 MS. QUESTELL: Well -- and this Board
9 isn't asking for you to raise your rate to anything. This
10 board's policy is that the County will not reduce --

11 MR. DAVIS: I understand.

12 MEMBER BILBREY: We're asking you to go
13 back to where you were supposed to be.

14 MR. DAVIS: Oh, I understand that.

15 MEMBER BILBREY: It's not anything that
16 we're taking anything away --

17 MR. DAVIS: Well, I understand. The one
18 other thing I was asking is if there was a way that we could
19 get that money in there without it being on our budget. You
20 know, this is something that we could discuss --

21 CHAIR PORTER: Yeah. That's up to you-all
22 to try and work out.

23 MEMBER BILBREY: But we stick with April
24 at this point.

25 CHAIR PORTER: Right.

1 Any other discussion or questions?

2 (Pause)

3 CHAIR PORTER: If not, all in favor of the
4 motion say "aye."

5 THE BOARD: Aye.

6 CHAIR PORTER: All opposed, like sign?

7 (Pause)

8 CHAIR PORTER: The motion carries.

9 MR. LAY: Thank you, everybody. We
10 appreciate it.

11 MR. DAVIS: Thanks.

12 MR. LAY: And it's a lot warmer at home
13 than it is here. It dropped 10 degrees going down the road.

14 (Laughter)

15 MR. LAY: Thank you.

16 CHAIR PORTER: Next item on the agenda is
17 to consider resolutions of ECDs requesting that 911 funding be
18 added to a list of issues for study by the Policy Advisory
19 Committee.

20 Mike, where you at? You want to come up
21 and say a few words?

22 MR. MAHN: Thank you, Mr. Chairman.

23 My name is Mike Mahn.

24 CHAIR PORTER: Mike, you want to try one
25 of those tables (indicating)? I don't think that one is

1 working very good.

2 MR. MAHN: Mr. Chairman, I appreciate you
3 very much allowing this matter to be considered. And
4 Ms. Questell asked me to make very brief remarks, and I will
5 do that.

6 CHAIR PORTER: Thank you.

7 MR. MAHN: The Board has received copies
8 of resolutions from several districts that I represent.
9 I would like, just briefly, to note, for your record,
10 representatives here today on behalf of several of the
11 districts -- Joe Cook, from Cheatham County, who is the
12 director; Larry Potter, director of Morgan County;
13 Bill Hunter, the director of Cumberland; Roy Sullivan, the
14 director of Cannon; and John Neighbor, the Chairman of Cannon;
15 Joe Wilson, the director of Bradley; Hugh Bryan, the chairman
16 of the Meigs Board. Several other districts also submitted
17 resolutions, but I did want to note they were in attendance.
18 And all are available if the Board has any questions of
19 specific matters.

20 Just quite simply, Mr. Chairman, this year
21 is the tenth anniversary of the legislation that created this
22 board. And April the 1st is the ninth anniversary of the
23 effective date of our cell phone rate. Since that time, as
24 you know, now over half of our districts are at the enhanced
25 authorized rate of \$1.50 residential.

1 MS. QUESTELL: Actually, I would like to
2 correct the record on that. That's not the case. Thirty-four
3 of the 100 districts have landline rates at the statutory --

4 MR. MAHN: Okay. At the maximum. Excuse
5 me. But, I mean, I think 50 are close to that. I think it
6 was 47 -- the last count. I stand to be corrected by your
7 record. But a substantial number are above the 65 cents, is
8 what I wanted to say.

9 And we wanted to just to get a
10 conversation started about the cell phone rate, in fairness of
11 funding 911. Because, as we all know, during this period,
12 over the last ten years there's been a tremendous transition
13 from landline to wireless in technology and especially in the
14 utilization of 911. Most districts now -- and virtually
15 everyone that I'm working with -- report the majority of their
16 911 calls are coming in on cell phones.

17 So there are some issues of equity in
18 funding fairness. And we just simply would like -- because
19 you have a very good instrument of the Policy Committee -- to
20 maybe consider if this board might consider authorizing them
21 to take a look at this and begin this conversation. We're not
22 asking any specific action other than just -- you know, just
23 to start talking about it. And we wanted to bring that to you
24 first and not go elsewhere and get in any way out of step with
25 the good leadership of this board.

1 CHAIR PORTER: Thank you.

2 You've heard -- you've got copies,
3 actually, of the resolutions that were presented by the
4 district in your folders. Any questions of Mike on the
5 resolutions?

6 (Pause)

7 CHAIR PORTER: Okay.

8 MR. MAHN: Thank you.

9 CHAIR PORTER: You've heard the requests
10 from these districts that are requesting that the 911 fund in
11 the wireless fees be added as an item for the study by the
12 Policy Committee that's currently working on several other
13 issues. So what's the will of the Board?

14 MEMBER LOWRY: I don't have any problem.

15 I'm sorry.

16 MEMBER BILBREY: I think it's probably,
17 as Mike said -- you know, to start it from a discussion
18 standpoint and start looking at things like that -- we
19 probably should.

20 CHAIR PORTER: Do you want to make that in
21 the form of a motion?

22 MEMBER BILBREY: How do I put that in the
23 form of a motion?

24 CHAIR PORTER: Just --

25 MEMBER BILBREY: Not to accept, but

1 that we do -- send it to the Policy Commission to start a
2 discussion -- Lynn, how can I phrase that? To look at these
3 matters.

4 MS. QUESTELL: Yes. To consider
5 funding issues.

6 MEMBER BILBREY: Yes. To consider funding
7 issues more than anything goes.

8 CHAIR PORTER: Okay. I have a motion by
9 Mr. Bilbrey. Do I have a second?

10 MEMBER LOWRY: Second.

11 CHAIR PORTER: I have a second by
12 Mr. Lowry that we allow this to be sent to the Policy
13 Committee for them to study in the future meeting.

14 Is there any discussion?

15 (Pause)

16 CHAIR PORTER: Hearing none, all in favor
17 say "aye."

18 THE BOARD: Aye.

19 CHAIR PORTER: All opposed, like sign?

20 (Pause)

21 CHAIR PORTER: Motion carried.

22 Thank, Mike.

23 CHAIR PORTER: The next item on the agenda
24 will be to consider releasing Campbell County's ECD from its
25 status as a financially distressed district. It sounds like a

1 good day. This is a good agenda item.

2 Is any of the Campbell County folks here?

3 Come on up. Bring your friends with you.

4 You-all just get a microphone, and let's first start off by

5 each one of you stating your name and your title to the

6 reporter so she can get it on the record.

7 MR. HUTSON: Charles Hutson, Campbell

8 County 911 Director.

9 MR. WISER: Bill Wiser, Campbell County

10 911 Chairman.

11 CHAIR PORTER: All right.

12 MS. QUESTELL: Lynn, do you want to kind

13 of run with this?

14 MS. QUESTELL: Yes. I would like to just

15 give a little bit of background.

16 Campbell County was deemed financially

17 distressed in February '01. At that time its landline rates

18 were increased to \$1.15 for residential lines and \$2.50 for

19 business lines. That was insufficient to reverse its

20 financial distressed status.

21 In June '06, the Board granted the

22 district's request for an increase to the maximum \$1.50 for

23 residential lines and \$3 for business lines. And through good

24 financial management and the additional money from the rate

25 increase, and I think from the 14 million, their financial

1 picture has improved sufficiently. They have requested that
2 the Board consider releasing them from their financially
3 distressed status.

4 Under Policy 16, districts deemed
5 financially distressed remain subject to the Board's
6 supervision for a period of not less than three years with
7 positive cash flow. Excerpts from the district's annual audit
8 for '05/'06 show two years positive cash flow, and I believe
9 that they have significant amounts of reserves.

10 And I just want to commend you-all for
11 pulling yourself out of this. This was a very important
12 thing -- a good thing.

13 And I believe that Charlie has a little
14 more to report on, as far as the financial status.

15 MR. HUTSON: We can't tell you guys how
16 much we appreciate what you-all have done. Randy was with
17 them the first time they --

18 CHAIR PORTER: I was just thinking about
19 that.

20 MR. HUTSON: -- declared us distressed the
21 first time.

22 The increases have just been the lifesaver
23 for us. The additional money that come in last year, you
24 wouldn't believe how that's turned us around. As a matter of
25 fact, we've been able to -- you-all probably know, we recently

1 bought a piece of property in Jacksboro. We're hoping to
2 start construction. That's one of the reasons we want to get
3 to where we don't have to check with you guys every time we
4 spend \$5,000.

5 You guys have just been great. Jim has
6 been good to work with. The branch has come down the pike for
7 us.

8 We've updated the GPS system -- updated
9 our logger. Just done a lot of different things. This is
10 actually the third time we have updated our CAD system with
11 InterAct.

12 We're hoping to start construction. We're
13 hoping you guys will release us from this. You know, we're
14 really interested in doing that.

15 Like Lynn had said, we have been able to
16 put a little bit back. So I think that we're getting ready --
17 that we're in the right direction. And I hope that the
18 Legislature will see fit that this -- the \$14 million program
19 is well worth the money they're putting into what's going on.

20 CHAIR PORTER: Chairman, do you have
21 anything you want to say?

22 MR. WISER: Other than to just give you a
23 little bit of financial status. We have now \$180,000 in CDs.

24 CHAIR PORTER: Wow. That's great.

25 MR. WISER: And we've got \$152,000 raised

1 in capital. That's the best --

2 CHAIR PORTER: That is great.

3 I remember that day well, Charlie, when I
4 came up -- before we got Rex onboard years ago and going
5 around to distressed districts and rate increase requests. I
6 remember that day well when the old train came down behind the
7 building there -- you know, the whole building shaking.

8 MR. HUTSON: And that's one of the reasons
9 Rex come by. Right after, you know, you guys appointed him,
10 he come by. He seen the situation we were in. I think he
11 took some pictures.

12 Where we're going to now gets us off the
13 four lane -- the property we're looking at gets us off the
14 four lane and not even our railroad track to be heard.

15 CHAIR PORTER: That's great.

16 MR. HUTSON: That's what I thought a
17 moment ago when I heard the train -- this is like being at
18 home.

19 MR. WISER: We were able to buy a piece of
20 property for \$150,000, and we've paid that down to -- now we
21 only owe \$60,000.

22 CHAIR PORTER: That's great. That's
23 great.

24 Well, Charlie, a lot of credit goes to
25 you. I knew -- that's been several years ago. I was

1 concerned about you-all and how you were going to be able to
2 survive or not. But you and your board, you-all have done a
3 great job in bringing it back to this point.

4 MR. HUTSON: I've got a super board to
5 work with.

6 CHAIR PORTER: That's great.

7 Okay. You've heard the request from staff
8 that we release Campbell County as a financially distressed
9 district. What's the will of the Board?

10 MEMBER SMITH: Mr. Chairman, I move that
11 we deem Campbell County as no longer a financially distressed
12 district.

13 CHAIR PORTER: Mr. Smith makes that
14 motion. Do I have a second?

15 MR. SNEED: Second.

16 CHAIR PORTER: Second by Mr. Sneed.

17 Any discussion?

18 (Pause)

19 CHAIR PORTER: Hearing none, all in favor
20 say "aye."

21 THE BOARD: Aye.

22 CHAIR PORTER: All opposed, like sign?

23 (Pause)

24 CHAIR PORTER: Congratulations. You-all
25 have done a great job. Thank you.

1 MR. HUTSON: Thank you-all.

2 CHAIR PORTER: Next item on the agenda is
3 consider request from OnStar -- woe. I did. I bypassed one.
4 Next item on the agenda is to consider request of Cheatham
5 County ECD to waive the one-hour UPS requirement.

6 Is there folks here from Cheatham?

7 Go ahead. Have a seat and state your name
8 and position for the record.

9 MR. COOK: Joseph Cook. I'm the director
10 for Cheatham County 911.

11 First of all, sir -- Mr. Chairman, I'd
12 like to thank you and Ms. Questell for letting me come and
13 speak.

14 I believe that everybody should have a
15 letter I wrote requesting this appearance and also a
16 schematic. I'm not a Van Gogh, but I did the best I could.

17 Basically, we operate out of a 400 square
18 foot center. We're in the basement of the courthouse,
19 literally under the sewer. I had to turn an equipment room
20 into a computer server room -- which the fire codes didn't
21 appreciate -- but I didn't have any other place to put it.

22 And we went out and put our RFPs out for
23 the UPS system that you-all requested to meet Tier 1
24 standards. And we, basically, have to rewire the whole center
25 and move it over to another room, which is just underneath

1 Cheatham there. And they want an extra -- well, it's about
2 \$78,000 total. And we just feel that the board -- my board
3 feels that it's all fine and good, but we could use that money
4 somewhere else that would help us out a lot more. We don't
5 want to waste you-all's money by paying for wiring to get
6 something that you-all have requested where others pay -- a
7 911 center, from my understanding, being 20,000 to 30,000,
8 we're going to be paying 70- to 80-. And that's 60- --
9 \$40,000 that we could use somewhere else.

10 Basically, in a nutshell, we have -- I've
11 been fighting up an uphill battle trying to get us out of this
12 courthouse since day one. I just started June 25th of '04 and
13 finally got the 911 board, just last month, to approve a
14 building committee to look into it. So I know we're talking
15 about at least two years down the road.

16 But they don't want to have to spend the
17 money to put something in there that's not going to move to
18 the new building. They feel that that's just a waste. I'm
19 kind of in agreement with them, but it's the Board's pleasure.
20 All I'm doing is just making a recommendation that you-all
21 consider it.

22 CHAIR PORTER: Don't shoot the messenger,
23 is that what you're saying?

24 (Laughter)

25 MR. COOK: Yes, sir. I guess that is what

1 I'm saying.

2 CHAIR PORTER: Do we have questions of the
3 board members?

4 MEMBER SMITH: Yes, sir.

5 So, Mr. Cook, I understand -- I noticed
6 earlier we had included in our information under resolution
7 from your board asking us to consider the funding. Do you
8 have a like resolution present to consider your request in
9 granting this waiver? Did it come through your board as well?

10 MR. COOK: Yes, sir. I brought it to the
11 board and asked them if I could represent them, and they
12 stated that I could. Is that what you're talking about?

13 MEMBER SMITH: So that is recorded in your
14 board minutes?

15 MR. COOK: Yes, sir.

16 CHAIR PORTER: Worse case scenario, let's
17 say -- and I reiterate in your letter you said they had the
18 small UPS units on all your computers and so forth.

19 MR. COOK: Yes, sir.

20 CHAIR PORTER: If the generators fail --
21 doesn't start -- how many minutes have you got battery backup
22 right now, do you think, before the system shuts down?

23 MR. COOK: Just an estimated guess, I
24 would probably say 30.

25 CHAIR PORTER: 30 minutes.

1 And what's your backup plan if that
2 generator fails? What's your backup plan?

3 MR. COOK: That's a good question, sir.

4 MEMBER BILBREY: You have got to have a
5 backup plan.

6 MR. COOK: I'm sorry?

7 MEMBER BILBREY: You've got to have a
8 backup plan.

9 MR. COOK: I understand that, sir.

10 CHAIR PORTER: But you've got no other
11 generator to take -- to pull in and take over?

12 MR. COOK: The only option that we could
13 possibly have is, the fire department is right across the
14 street. I could go pull one of their generators and crank it
15 up. And it should be able to pull what needs to be pulled.
16 Do I have something wrote down, specifically, in black and
17 white, as a backup? No, I don't.

18 CHAIR PORTER: You need to get one
19 because -- what policy number is that?

20 MS. QUESTELL: I think it's 32.

21 CHAIR PORTER: We have a policy that
22 requires that.

23 MR. COOK: Okay.

24 CHAIR PORTER: So you need to be -- you
25 need to get one, Joe.

1 MR. COOK: I understand that.

2 CHAIR PORTER: Rex, do you want to say
3 something?

4 MR. HOLLAWAY: I think you do have a plan
5 to at least divert your calls to another county.

6 MR. COOK: Right.

7 MR. HOLLAWAY: You've got that plan.

8 MR. COOK: It goes to Robertson County or
9 to Dickson County. Whichever one --

10 CHAIR PORTER: Is your dispatch the only
11 dispatch in the county?

12 MR. COOK: Yes, sir.

13 CHAIR PORTER: So does the county that's
14 going to be -- you're going to be sending all your calls to --
15 do they have radio -- your radio channels at their base where
16 they can talk to you?

17 MR. COOK: Robertson County does.

18 CHAIR PORTER: Okay.

19 MR. COOK: Dickson County does, also.

20 CHAIR PORTER: Okay.

21 MR. HOLLAWAY: Mr. Chairman, I want to
22 clarify one other thing. I think the 50-something thousand
23 dollars that we've discussed here -- probably about half of
24 that is the actual UPS system, and the other half is wiring.
25 It would be -- the wiring pretty well could become kind of not

1 salvable if they moved in two years.

2 CHAIR PORTER: That's policy 36, Joe. You
3 might want to take a look at it. It's available on the
4 Internet on our Web page.

5 MR. COOK: Okay.

6 MEMBER MASON: Rex, what's got to be
7 rewired? Do they not have enough plugs?

8 MR. HOLLAWAY: Well, Joe could probably
9 explain it better. They have multiple panels that --

10 MEMBER MASON: I mean, to be able to buy
11 an UPS that will handle an hour, they fit under the desk and
12 you just plug them in.

13 CHAIR PORTER: I guess that's where I was
14 going, too. Instead of buying humongous -- a big UPS system,
15 you could always buy the smaller ones --

16 MEMBER MASON: Yeah.

17 CHAIR PORTER: -- that would handle you
18 for an hour. It doesn't have to be one big one. That's not
19 the requirement.

20 MR. COOK: Well --

21 CHAIR PORTER: As long as you can handle
22 one hour's worth of UPS.

23 MR. HOLLAWAY: And we have suggested that.
24 I believe that Joe is in the process of getting some bids on
25 that. But I don't know if he has.

1 MR. COOK: I've been trying to contact
2 APC. They have the state contract. And I've been trying
3 since I talked to Rex last week. Nobody returned my call.
4 I've tried three or four times. I tried again this morning
5 before I walked in the door.

6 MEMBER MASON: Well, there's other
7 companies.

8 MR. COOK: My board will only let me go
9 through whoever has the state contract.

10 MEMBER BILBREY: You've called, you say, a
11 state contractor?

12 MR. COOK: Yes.

13 MEMBER BILBREY: Call the General
14 Services.

15 MR. COOK: Okay.

16 MEMBER BILBREY: Get them on the ball.

17 MR. COOK: All right.

18 MEMBER BILBREY: Don't give up. They will
19 get it done.

20 MR. HOLLOWAY: Yeah. And I think the
21 contractor is actually with a company called --

22 MEMBER MASON: Yeah. And your board may
23 want to know state contract doesn't always mean the best deal.

24 MR. COOK: I understand that. I
25 understand that completely.

1 CHAIR PORTER: Steve, did you have another
2 question?

3 MEMBER SMITH: Well, I just want to make a
4 comment before we -- well, I guess I'll wait. I'll reserve my
5 comment.

6 MEMBER MASON: Was that -- is that a
7 wiring issue even with individual units? To go back to Randy
8 and I's question.

9 MR. HOLLAWAY: No. It's an issue with
10 trying to do a big backroom system.

11 MEMBER MASON: Do a whole room.

12 MR. HOLLAWAY: Right.

13 MEMBER MASON: Okay.

14 MR. HOLLAWAY: And I was just looking at
15 my photos from 2003 and 2006. And, of course, even in 2003
16 you had a pretty horrible situation there, and it's gotten
17 worse because of more equipment being installed and
18 everything. But from his explanation and what I've seen from
19 the bids, apparently there are multiple electrical -- there's
20 not but one electrical panel that would be located in such a
21 position that the transfer switch could affect the generator
22 and the UPS. It's spread out throughout the building. And so
23 it just complicates the wiring and could run the cost way up.

24 CHAIR PORTER: And, Joe, they do make
25 those UPSs now that are wall mountable. The battery packs,

1 the UPS -- the whole thing mounts on the wall. So you can
2 mount some up on the wall, if you needed some room.

3 MR. COOK: Not to be funny, sir, but the
4 only place I got is a ceiling tile.

5 CHAIR PORTER: That might be an option,
6 too.

7 (Laughter)

8 MR. COOK: Yes. I understand.

9 MEMBER SMITH: Speaking of options, I have
10 a question, I guess from the previous comment. It would
11 probably be a question for Rex. I know we spent some
12 significant time with the technical committee and Rex's time
13 to evaluate a UPS alternative in Henry County.

14 You just made reference to it earlier,
15 Lynn. And I believe we, in fact, modified our policy to not
16 limit any district to using specific technology that was UPS
17 oriented towards cell lead batteries.

18 I would ask Rex the question, has this
19 been explored, or has that been discussed with them?

20 MR. HOLLAWAY: Well -- and we asked the
21 same question. The problem is really the fact that if you try
22 and put everything in one UPS unit, that UPS unit doesn't have
23 one panel to it. The dispatch center area is served off, I
24 think, three different electrical panel boxes throughout the
25 building. And so that's where the extra wiring comes in -- no

1 matter if you locate a UPS inside the building or outside the
2 building.

3 MEMBER SMITH: So it's more of an issue of
4 the design of the electrical aspect of the building.

5 MR. COOK: Yes, sir. You have to
6 understand that was way before my time, they had the dispatch
7 center up at the sheriff's department. When they went and
8 consolidated -- my county believes in throwing a Band-Aid on
9 something. So they found a hole in the basement, and that's
10 where they put us.

11 Well, to do that, they had to call a
12 contractor in, and the only way he could do it was put it in
13 four separate -- or three separate electrical panels. And now
14 since he's put in three electrical panels, we have to pay the
15 price to get it all back in one so it will work the way it
16 needs to.

17 MEMBER BILBREY: How long have you been
18 there?

19 MR. COOK: I've been there since '04.

20 MEMBER BILBREY: No. In that building?

21 MR. COOK: Oh, they've been there since
22 1998, is my understanding.

23 MEMBER BILBREY: 1998?

24 MR. COOK: Yes, sir.

25 MEMBER BILBREY: Well -- and you don't

1 have anything definite right now on moving out?

2 MR. COOK: No, sir. I don't have anything
3 in black and white that says we're moving out.

4 MEMBER BILBREY: What makes you think it
5 will happen in the next couple of years?

6 MR. COOK: All I can do, sir, is hope and
7 pray and trust God that it does happen.

8 MEMBER BILBREY: During the meantime we
9 have to prepare.

10 MR. COOK: I understand that completely,
11 sir.

12 MEMBER BILBREY: And it may be longer than
13 two years. Let's do what we need to do.

14 MR. COOK: Yes, sir. I understand where
15 you stand also.

16 CHAIR PORTER: You've heard the request
17 from Cheatham County. They're requesting us to waive or
18 exempt them from the UPS standard and allow them to go ahead
19 and spend their money for other needs. What's the will of the
20 Board?

21 MR. COOK: Mr. -- I'm sorry.

22 CHAIR PORTER: Sure.
23 Joe?

24 MR. COOK: May I just add one more thing?

25 CHAIR PORTER: Sure.

1 MR. COOK: If and when we do get this new
2 building, then we would put the UPS system that you-all
3 require in there.

4 MEMBER LOWRY: I don't believe we can
5 waive that requirement.

6 MEMBER BILBREY: No.

7 MEMBER LOWRY: And in lieu of the fact
8 Carolann said you can get individual units --

9 MEMBER MASON: Yeah. That's what I did,
10 knowing that I was going to move. And I moved them with me.
11 And I spent -- I've got it on three positions, and I spent
12 \$1300.

13 MEMBER LOWRY: How many positions do you
14 have?

15 MR. COOK: I have three, sir.

16 MR. HOLLAWAY: Mr. Chairman, just one
17 other comment. As much as I sympathize with his plight there,
18 we had another county -- I won't mention the county's name --
19 but they were prepared to have to build an extension on the
20 building to accommodate a UPS just because they were -- I
21 mean, they had their 911 controllers sitting out in the hall.
22 They didn't even have an equipment room.

23 So I -- to me it was a worse situation
24 than this one, and they made it work. I just -- I'm not
25 trying to influence you, necessarily, but that's -- I'm just

1 saying we've had a case in the past that we didn't do anything
2 with.

3 MEMBER BILBREY: Well, I don't think we
4 can waive this because that throws the responsibility back on
5 us if anything happens down the road.

6 MEMBER MASON: Well, it seems to me like
7 you-all need to talk to some other companies, too. I mean --

8 CHAIR PORTER: I think there's other
9 options down there, just the --

10 MEMBER MASON: I mean, there could
11 definitely be some other options.

12 CHAIR PORTER: Yeah. You could go with
13 some smaller ones for those things.

14 I need a motion one way or the other.

15 MEMBER SMITH: I'll move that we deny the
16 request for the waiver on the UPS requirement -- Cheatham
17 County.

18 CHAIR PORTER: Motion by Mr. Smith. Do I
19 have a second?

20 MEMBER LOWRY: Second.

21 CHAIR PORTER: Second by Mr. Lowry that we
22 deny the request by Cheatham County on the waiver of the UPS
23 system.

24 MEMBER SMITH: May I say something,
25 Mr. Chairman?

1 CHAIR PORTER: Yes. Go ahead.

2 MEMBER SMITH: I just want to make it
3 clear that I know we just spent a lot of time with two
4 counties here trying to assist them. I have never seen
5 anything but effort -- 100 percent by this board --
6 Mr. Hollaway -- with any opportunities that we have to help
7 911 advance.

8 I want to be clear that where I sit -- in
9 this position in trying to represent the 911 districts across
10 this state -- is, I think we're starting on a slippery slope
11 if we start entertaining appeals or requests for denials on
12 policies that the policy -- you know, in a sense, I feel like
13 I almost owe a personal apology to those people that devoted
14 the time and effort to set those policies in place. And if we
15 start wavering from that -- again, I think that's a slippery
16 slope to start down. I don't think it's in the best interest
17 for anyone. I want this district and I want Mr. Cook to fully
18 understand they're not being singled out.

19 CHAIR PORTER: No.

20 MEMBER SMITH: This is where there was no
21 other alternative. There might be some different discussion
22 on this, but I think this is an important issue and an
23 important crossroads that we are coming to here.

24 I know that Mr. Rich has been an
25 advocate, and I support what he's said about helping

1 streamline the process for these rate increases. That's
2 just a monetary issue. Here we're talking about operational,
3 continuity -- the 911 calls being answered. And I think
4 that's very important. And all of us that come from an EMS
5 background -- and Mr. Cook, I know, does as well --

6 CHAIR PORTER: Uh-huh.

7 MEMBER SMITH: -- you know, we wouldn't
8 dare entertain the notion to take some equipment -- or waive
9 some equipment off an ambulance.

10 And you've been in that profession,
11 Mr. Chairman, and I think you know where I'm coming from.

12 I empathize with the plight -- the
13 situation they have, but it's not that it's unsolvable. And
14 maybe that board needs to go back and look at their priorities
15 again. I know that we gave them a rate increase. I know that
16 they've spent that on radio communications and towers. But if
17 you can't answer the call, you can't send anybody out.

18 CHAIR PORTER: Uh-huh.

19 MEMBER SMITH: I just want to clear where
20 my purpose for introducing that motion -- making that motion.

21 CHAIR PORTER: I appreciate those
22 comments.

23 Other discussion?

24 (Pause)

25 CHAIR PORTER: Hearing none, all in favor

1 of the motion say "aye."

2 THE BOARD: Aye.

3 CHAIR PORTER: All opposed, like sign?

4 (Pause)

5 CHAIR PORTER: Motion carried.

6 You want to say something?

7 MEMBER LOWRY: Yeah. It might be a
8 possibility -- if your board requests that -- that Rex would
9 come up and meet with them to go over some of the different
10 ideas and other vendors and what have you. It's strictly up
11 to you-all.

12 MR. COOK: No problem, sir.

13 CHAIR PORTER: I think you can probably do
14 like Carolann and myself and some others in here had to do.
15 And the back to that is, go with a smaller UPS and have one
16 for each one of your positions that carries everything. You
17 might have to put one of those things in the ceiling. I've
18 seen that done before. It's not impossible to do.

19 MR. COOK: I appreciate you --

20 CHAIR PORTER: We'll help you where we
21 can.

22 MR. COOK: I understand that you will.
23 You always have. Thank you very much.

24 CHAIR PORTER: Thank you.

25 Next item on the agenda -- keep me in line

1 here, Lynn -- is consider request of OnStar for reimbursement
2 of emergency telephone service charge collected by Verizon.
3 And I think we have some OnStar folks here.

4 CHAIR PORTER: Would you state your name
5 and title for the record, please?

6 MR. SUSAK: My name is Tony Susak. I'm
7 the senior tax manager for OnStar.

8 MR. BALTIMORE: And I'm Don Baltimore,
9 local counsel for OnStar.

10 CHAIR PORTER: Okay. Who's going to talk
11 first?

12 MR. BALTIMORE: Well, as local counsel, my
13 duties are grim. I'll back up and let Mr. Susak do his --
14 senior tax consultant for OnStar -- present our request. He
15 is from OnStar's headquarters in Detroit. So our weather
16 today is making him feel at home.

17 (Laughter)

18 CHAIR PORTER: Probably better today --
19 better than it is in Detroit.

20 MR. SUSAK: It's warmer in Detroit.

21 CHAIR PORTER: Go ahead, sir.

22 MR. SUSAK: Okay. Mr. Chairman and board
23 members, first of all, I would like to thank you very much for
24 allowing me to be on your agenda.

25 The issue at hand is OnStar has two unique

1 services in this vehicle. We have what's called telematic
2 service -- is what you think of OnStar -- safety and security,
3 airbag notification -- really cool things saving thousands of
4 lives a year. In addition to that, in each vehicle we have
5 hands-free calling. It's just like having a prepay telephone
6 in your car, such as Virgin Mobile or Tracfone.

7 At issue here is, we rely -- all of our
8 services go over the Verizon network. We are a reseller. And
9 an assumption for our telematic services, we are the end
10 service for all that wireless traffic for Verizon. We pay any
11 applicable taxes, fees, and surcharges for those blue-button
12 calls that go from a car to an OnStar call center.

13 At issue here is, from October 2002
14 through October 2006, Verizon was charging OnStar for any car
15 that had a Tennessee established local number on it. We feel
16 we both have paid about \$2.7 million based on Verizon charging
17 us for these cars that just provided telematic service.

18 And just to sort of give you an idea of
19 how the FCC used our telematic service -- yeah, the FCC --
20 Docket No. 9402, issued October 2003 -- ruled telematic units,
21 exclusively, are not mobile phones within the federal
22 definition of commercial mobile radio, and services are not
23 subject to the E-911 requirements. Just wanted to give you
24 some background on that.

25 Prior to my arrival, the prior OnStar

1 attachment tried to get Verizon to stop charging us this fee.
2 As far as I could find in prior records, the first contact
3 they had with Verizon was in May of 2003. And, basically,
4 Verizon had come back and their interpretation of the statute
5 says that the ultimate Tennessee E-911 liability is on the
6 licensed facility-based carrier, CMS commercial mobile radio
7 service provider, and not the reseller. Because of that
8 stance, they felt that the ultimate liability was on them.
9 They would not stop charging OnStar.

10 So in that timeframe, we collected
11 and remitted from anybody who used our hands-free calling
12 service -- it's just like having a phone -- we collected and
13 remitted those fees to the State of Tennessee. In addition,
14 for those same phone numbers, and all other phone numbers,
15 Verizon was charging OnStar, who was remitting directly to
16 Verizon, who then remitted to the State of Tennessee.

17 I guess I'm here to request -- listen,
18 this is a very precarious situation for OnStar because we are
19 in the safety and security business. I don't want the State
20 of Tennessee to be burdened unduly for trying to come up with
21 \$2 million.

22 So one of the alternatives I would
23 suggest -- or I'd like to throw out as a suggestion is,
24 maybe over a two- to three-year time period we could --
25 Verizon could take some type of credit from this 2.7

1 monthly/quarterly -- whatever it may be -- so you can
2 incorporate it into your budgets. If it doesn't happen,
3 hopefully service is offered again, and then Verizon will
4 credit OnStar.

5 That's really it, at a very high level, in
6 a nutshell.

7 CHAIR PORTER: So what you're saying is
8 during that timeframe -- that 2002 to 2006, you're on the --
9 every one of your phones in every one of the vehicles are on
10 Verizon?

11 MR. SUSAK: Yes, sir.

12 CHAIR PORTER: Okay. So you were paying
13 Verizon 911 fees -- they were billing you for 911 fees for
14 every one of those?

15 MR. SUSAK: Yes, sir.

16 CHAIR PORTER: And then you were paying --
17 OnStar was paying on its own?

18 MR. SUSAK: OnStar was paying for any car
19 that had hands-free calling who purchased hands-free calling
20 minutes from us. We were collecting from those Tennessee
21 customers and remitting it to the State of Tennessee.

22 CHAIR PORTER: Directly with us?

23 MR. SUSAK: Yes.

24 CHAIR PORTER: Okay. Okay. And your
25 request is that you think that you've been doubled -- is that

1 what you're saying?

2 MR. SUSAK: I feel that the telematic
3 service -- I can throw out a number. For example, from that
4 same time period of October of 2002 to October 2006, OnStar
5 remitted roughly around \$60,000 to the State of Tennessee. So
6 you can see the disparity from the 2.7 and 60,000 of how many
7 customers -- a very small percentage use the hands-free
8 calling feature. I'll say that.

9 So my request is, we feel that as a
10 reseller of Verizon's wireless services that they
11 misinterpreted the statute, they charged us incorrectly;
12 however, all they were, were a collecting and remit mechanism.

13 CHAIR PORTER: Lynn, you want to --

14 MS. QUESTELL: Yeah.

15 My concern is that as a state agency, we
16 can only act within what is set out in the law. And right now
17 we don't have any kind of legal analysis from you-all.
18 There's a number of legal questions that I think the Board
19 would have to answer before it could really give this serious
20 consideration, like the authority to actually refund any
21 procedures that might -- that the Board should be following to
22 do that.

23 Another question would be the application
24 of our 2006 amendments to our fee statute, which, that's when
25 our law changed so that the fee applied to technology capable

1 of connecting a user dialing -- or entering the digits 9-1-1
2 to a PSAP -- that may change the analysis. You know. I mean,
3 your operator option --

4 CHAIR PORTER: -- could be considered.

5 MS. QUESTELL: You know. I mean, that's a
6 legitimate thing. Your operator option is not connecting a
7 caller with an emergency to a PSAP. So that needs to be
8 something that we would like you-all to weigh in on.

9 Also, our law applies to users and
10 subscribers of 911 service -- or of non-wireline service.
11 And who is -- I'm confused about who is the user and
12 subscriber here. I mean, is it OnStar? Is it your customers?
13 That is the issue that we would really need some clarification
14 on.

15 Is there a statute of limitations that
16 applies here?

17 These are questions that I don't see how
18 the Board could make a decision on this without some kind of
19 analysis of those issues.

20 MR. BALTIMORE: We agree. We know that
21 the Board is fetching into uncharted waters with this issue
22 that we've brought forth. And we truly appreciate your
23 consideration of this. And there are a lot of questions that
24 we've raised. I think the only -- well, determined issue we
25 have is that the telematic service, which is where the

1 customer dials directly into -- not -- to OnStar, then the
2 OnStar operator then dials E-911. Since the customer is not
3 directly dialing to E-911, that is not subject to the service
4 charge. That is what has been overpaid. There is no request
5 here for the funds on other services, which is where the
6 customer and the car could dial E-911 directly.

7 So, as Lynn has so capably pointed out,
8 there are a lot of other issues here, but there's certainly
9 been an overpayment. And that's why we feel like we should be
10 exhausting all our requests. And this is where we are, here
11 today. And again I say, we appreciate your consideration.

12 MS. QUESTELL: Would it be -- oh, I'm
13 sorry.

14 MEMBER BILBREY: The bottom line is, both
15 calls end up at 911.

16 MR. BALTIMORE: That's correct.

17 MEMBER BILBREY: Directly and indirectly.
18 And you're saying the indirectly --

19 MR. BALTIMORE: That's correct. And
20 Lynn can correct me. Because of two things, one, the FCC
21 rulings -- that is not connected directly to an operator, and
22 the 2006 amendments clarified that.

23 MS. QUESTELL: I think it might be really
24 helpful if you could brief any -- all these issues. I mean,
25 for us to be able to actually look at your responses in

1 writing to the issues that Mr. Bilbrey raised and the ones
2 that I mentioned, I think that that would be extremely helpful
3 so we could really give this issue the serious consideration
4 it deserves.

5 MR. BALTIMORE: We can do that.
6 Certainly.

7 CHAIR PORTER: And I want to make sure
8 that this problem that you're talking about stopped in 2006,
9 right, Jim?

10 MR. SUSAK: Yes. And thanks to -- and I
11 would personally like to thank Ms. Questell and Ms. Reed for
12 being so responsive to any of my e-mails and my voice mails.
13 And they helped me get Verizon --

14 CHAIR PORTER: Okay. So we fixed the
15 problem?

16 MR. SUSAK: Yes, sir.

17 CHAIR PORTER: That's not happening
18 anymore?

19 MR. SUSAK: Yes, sir.

20 CHAIR PORTER: Okay. So that's a good
21 thing. And then -- so that now everything is what happened in
22 the past, that we need to go back and look at.

23 MR. SUSAK: Yes, sir.

24 MR. BALTIMORE: That's right.

25 And I want to double that, too. We

1 appreciate Ms. Questell and Ms. Reed and Ms. Ashford and
2 Mr. Hollaway meeting with us and taking the time. We've had a
3 couple of meetings to discuss this, and then that's what
4 happened -- of course, convinced Verizon that the telematic
5 service charge was not appropriate.

6 CHAIR PORTER: Would you-all be willing to
7 do the brief, then, and come back to a future board meeting --
8 once that's been presented to the staff for review -- and for
9 them to work with you-all between now and future board
10 meeting?

11 MR. BALTIMORE: Yes. We'd be glad to do
12 that.

13 CHAIR PORTER: Rex?

14 MR. HOLLAWAY: Mr. Chairman, I just want
15 to clarify one thing for Mr. Bilbrey. Up until just recently,
16 the second sound service -- the telematic service was not
17 transferred to 911 centers. The caller was not transferred.
18 They were answered by on OnStar center and information would
19 be relayed, but the caller -- the OnStar user was never
20 actually transferred to 911 centers. There was a true --

21 MEMBER BILBREY: But the end result was
22 they ended up at 911, even though they made the call. It's
23 sort of like a dispatcher.

24 MR. HOLLAWAY: I just wanted to make sure
25 they understood that.

1 MEMBER BILBREY: 911 still has the same
2 responsibility and the same things to do relative to the call
3 irregardless of where it came from. It was initiated, though,
4 by the same person, whether it came directly or indirectly.

5 MR. HOLLAWAY: I'm just trying to make
6 sure it's clear --

7 MEMBER BILBREY: I understand that. It's
8 an interpretation here of, really, the law and everything. I
9 don't know. But there's several things that's sort of
10 bothersome.

11 CHAIR PORTER: Anything you-all need to
12 add?

13 (Pause)

14 CHAIR PORTER: Okay. Does that need board
15 action?

16 Robert, did you have something?

17 MR. McLEOD: Yeah. I just want to ask a
18 question here. The money that's being requested for refund,
19 was this collected money that was paid in, or was it OnStar's
20 money?

21 MR. SUSAK: No. It was OnStar's money,
22 out of pocket directly to Verizon. We didn't charge any
23 customers. It came directly from --

24 MR. McLEOD: Thank you.

25 CHAIR PORTER: Okay. Do we need a motion

1 to do it -- for them to provide the briefs, since they've
2 already agreed to it? Does that need board action?

3 MS. QUESTELL: I don't think so.

4 CHAIR PORTER: Is the Board okay
5 with that? For them to provide a brief --

6 MEMBER BILBREY: Yeah.

7 CHAIR PORTER: -- and get it back to
8 staff, and then we'll take it up at a future board meeting?

9 Okay.

10 MR. SUSAK: I would just like to ask
11 Ms. Questell one thing.

12 CHAIR PORTER: Okay. Go ahead.

13 MR. SUSAK: Could I get that article? I
14 would love to put her on OnStar equipment.

15 (Laughter)

16 MS. QUESTELL: Okay.

17 CHAIR PORTER: Thank you, gentlemen, for
18 coming.

19 MR. BALTIMORE: Thank you.

20 MR. SUSAK: Thank you.

21 CHAIR PORTER: We only have one more item
22 on the agenda. It's a rate increase request, though. Do
23 you-all want to hear it and be done, or do you want to take a
24 break and come back?

25 Get on with it?

1 MEMBER MASON: A lot of us have been here
2 all week with the NENA conference.

3 CHAIR PORTER: Okay. Next item on the
4 agenda, then, is to consider request by Washington County ECD
5 for an increase to their emergency telephone service charge.

6 Washington County, are you folks here? If
7 you would, come forward raise your right hand --

8 (Laughter)

9 CHAIR PORTER: The other right.
10 State your name for the record, please.

11 MR. McNEILL: Bob McNeill, director of
12 Washington County 911.

13 MR. SHELL: Kyle Shell, Washington County
14 commissioner and chairman of the board with 911.

15 CHAIR PORTER: Glad to have you with us
16 this morning.

17 In your packets you have the -- actually,
18 I guess we're on the first district. We've used the new way
19 of doing the rate increase request. Hopefully this is going
20 to work out better for everyone.

21 I guess -- who's going to go first in this
22 thing?

23 Rex, you still going to go first?

24 MR. HOLLAWAY: Yeah. I took it to go
25 first. Mine is the short piece, and you'll ask more questions

1 of -- you never ask any questions of me, by the way.

2 CHAIR PORTER: We will today.

3 MR. HOLLAWAY: Okay. I did make a site
4 visit on December the 12th and met with Director Bob McNeill
5 and his assistant director, Randall Lewis, at the PSAP located
6 in Johnson City.

7 They had -- they currently and have
8 answered all the calls for Washington County for several
9 years, except for Jonesborough and ET -- East Tennessee State
10 University, I believe. They have their own dispatch center.
11 And they completely -- as you know, we've already determined,
12 over time, some ECDs provide administrative and funding
13 functions and some provide actual management with the PSAP.

14 The Washington County ECD does actually
15 manage a PSAP and pays the people and owns all the equipment.
16 They're located in a very old building. And you've got -- I
17 think I put a photo in your packet there. It's a beautiful
18 building, and it's a very structurally sound building. So I
19 guess whatever it lacks in flexibility, as far as being an old
20 building, it makes up structurally for integrity.

21 They have nine 911 trunks and 16
22 administrative lines. And as I mentioned, they do transfer
23 those calls when they come into Jonesborough, when necessary.

24 They do -- and correct me if I'm wrong,
25 Mr. Bob, but you don't do the EMS and dispatching for

1 Jonesborough -- it's just the police calls.

2 MR. McNEILL: Yes. It's just police calls
3 only.

4 MR. HOLLAWAY: Okay. They have 30
5 full-time telecommunicators and four supervisors, plus
6 part-time folks. They have -- and, of course, Bob's
7 position -- he's the assistant director -- the computer
8 system analyst, GIS coordinator, an office manager, a MSAC
9 coordinator, training QI supervisor, and a training assistant.

10 And I'll let Robert get into more of the
11 use of the rate increase.

12 They also are the default recipient for
13 all the calls in the marked territory -- which I guess is five
14 counties around them there -- in case the selected router
15 should fail. So they do have to anticipate an overload on
16 their system at times if there should be a breakdown on the
17 router. And they also serve as a regular backup for Carter
18 and Greene Counties.

19 And you've got a list of the equipment
20 there. I won't read that to you. They're a fairly state-of
21 the-art -- I say a very state-of-the-art dispatch center and
22 have a pretty nice setup there.

23 CHAIR PORTER: Questions of Rex?

24 (Pause)

25 CHAIR PORTER: I've got to ask you, Rex --

1 MR. HOLLAWAY: Okay.

2 CHAIR PORTER: -- I was noticing in the
3 picture -- what color is their generator? I couldn't tell by
4 the picture. It's black and white.

5 MR. HOLLAWAY: I'm going to have to guess
6 this equipment is green.

7 CHAIR PORTER: Okay. Appreciate that.
8 Now you can't say you weren't asked a question.

9 Robert?

10 MR. McLEOD: Okay. Looking at the
11 financial portion of the rate increase request, Washington
12 County does have interlocal relationships with both the city
13 of Johnson City and Washington County. Both entities have
14 committed to contribute -- Johnson City \$545,900 to their
15 district, and also \$546,246 by the other entity. All
16 contributions to the ECD is monetary. There's no kind
17 contribution, as I understand it.

18 One thing we require is that these
19 entities do prove that they will not reduce their rate -- on
20 any circumstance -- of ECD. And the director has letters to
21 the effect that these agencies would not reduce their rates to
22 the ECD. And you do have those letters.

23 Under the income side of the analysis, as
24 shown in the table below, the service charge income for 2005
25 from 2007 declined. Not by much, per se, between 2006 and

1 2007, but there's a trend there.

2 Projected year is -- for 2008 through
3 2010 -- additional revenue fluctuating. You can see the
4 numbers there below. However, the total revenue increased by
5 5.68 percent in -- between 2000 to 2006 and 2007.

6 Contribution of local entities increased
7 steadily during those years on the review -- audit review.

8 Projection for 2008 through 2009 shows
9 decline in total revenue and a slight increase in 2010.

10 The projections from the local entities
11 show increase between the projected period 2008 through 2010.

12 The operational revenue was only improved.
13 And I heard Lynn say this morning that it was included in the
14 2009 budget.

15 Is that correct?

16 MS. QUESTELL: Yes.

17 MR. MCLEOD: So we need to take that into
18 consideration with yesterday's bottom line. However, if the
19 contribution from the operational fund continues, it would
20 have a major effect on the projected revenue of the 911
21 center.

22 Our projection was made in consideration
23 of the rate increase of the most recent line count, which
24 is residential 33,865 and business 20,551, as of August 1st,
25 2007. Those were the numbers that we used. And it shows

1 approximately 1 percent decline there.

2 Under the expenditure portion, the
3 expenditure table shows the salaries, wages, and benefit
4 increased by 10.48 percent in fiscal year 2006 and 11.35 in
5 fiscal year 2007. This increase trend will continue
6 throughout the projected fiscal years.

7 The benefits costs include \$50,000, which
8 we discussed might not be touched. But it was a decision by
9 their local board to use this as retirement insurance, as was
10 told to me by the director.

11 By fiscal year 2007, total expenditures
12 declined by 5.21 percent. In fiscal year 2009, total
13 expenditure projected increase -- 20.92 percent. However,
14 fiscal year 2010 is projected to have an expenditure decrease
15 of 10.29 percent.

16 ECD's plan is to make capital purchases
17 through 2008 to 2010.

18 The justification for the rate increase,
19 as presented by the director, it's to replace aged equipment,
20 number 1; to provide new technology to enhance service; to
21 provide salary increases for employees; to provide ECD with
22 the ability to receive and process and disseminate information
23 and coordinate a unified response with all emergency
24 responders in Washington County. Those were the reasons
25 submitted for the rate increase.

1 Staff analysis. The reasons listed above
2 seem justifiable, and expenditure projected for 2008 through
3 2010 reflect increases in salaries and capital purchases.

4 As shown below in the table, ECD
5 experienced a negative change in net assets for fiscal year
6 2005 and 2006. And looking at numbers, they would have had
7 another negative change had it not been for the contribution
8 for the 14 million fund in 2007. And that, of course, put
9 them in a predicament of considered for being distressed.

10 Ending net asset for fiscal year 2005
11 through 2007 fluctuated, but ended in an increase in fiscal
12 year 2007.

13 For the fiscal years 2008 through 2010,
14 the ECD is projecting negative changes in net asset. And I
15 did call the director and point this out to him, that if these
16 numbers were true, then they would be in a situation in the
17 projected years. However, we have here that they have not
18 used, approximately, the \$27,548 in reimbursement that they're
19 eligible for. Also, if the contribution from the \$14 million
20 continued, that would go -- make a big difference in their
21 projection.

22 However, I did discuss, also, with the ECD
23 director, that perhaps we need to re-look or revisit those
24 expenditures so at the end of the year of the projected period
25 they might be looking better.

1 The ECD has requested a maximum in both
2 residential and business rate and seeing that this would not
3 be adequate to cover all the projected expenses, as you can
4 see there -- staff has examined and requested -- the request
5 presented to the TECB by the ECD and find the requests
6 reasonable and justifiable. Therefore, based on the technical
7 review and the financial review, staff has no reasonable
8 reason why this request would not be granted by the Board.

9 And just for the record, for the three
10 years in review, there were no audit findings recorded.

11 CHAIR PORTER: Thank you.

12 Any questions of Robert?

13 (Pause)

14 CHAIR PORTER: Hearing none, Bob, do you
15 have anything you or your chairman would like to say?

16 MR. McNEILL: Well, I have a rather
17 lengthy presentation, but it's -- it was all in my packet that
18 was presented to staff. And if you want to hear that again,
19 I'd be glad to do that. Otherwise, if you have any questions,
20 I'll answer them.

21 CHAIR PORTER: Does the Board have any
22 questions of the Washington County folks?

23 (Pause)

24 CHAIR PORTER: I think we can waive that
25 then, Bob. Thank you.

1 MR. McNEILL: Unless you just wanted us to
2 do it. I mean --

3 MEMBER LOWRY: No. No.

4 CHAIR PORTER: The vice chairman says no.
5 Okay. Thank you, sir.

6 Lynn, did you have anything to say?

7 MS. QUESTELL: I just wanted to commend
8 you on the lack of audit findings. I mean, I think that we
9 should never let that go by. I think that shows a really
10 well-run situation, and it's appreciated.

11 MR. McNEILL: Thank you, Lynn. I have a
12 very good staff.

13 CHAIR PORTER: We don't see too many come
14 through that don't have small advisements. That's great.

15 Okay. You've heard the request from the
16 Washington ECD. They're requesting that we raise their rates
17 to the maximum of \$1.50 and \$3.00. What's the will of the
18 Board?

19 MEMBER LOWRY: So move for approval.

20 CHAIR PORTER: Do I have a second?

21 MEMBER RICH: Second.

22 CHAIR PORTER: Is that you, Mr. Rich?

23 MEMBER RICH: Yes.

24 CHAIR PORTER: I have a motion by
25 Mr. Lowry and a second by Mr. Rich that we approve the rate

1 increase request for Washington County. Any discussion?
2 (Pause)
3 CHAIR PORTER: Hearing none, all in favor
4 of the motion say "aye."
5 THE BOARD: Aye.
6 CHAIR PORTER: All opposed, like sign?
7 (Pause)
8 CHAIR PORTER: Motion carried.
9 MR. McNEILL: Thank you very much.
10 CHAIR PORTER: We appreciate you-all
11 coming.
12 MR. SHELL: Thank you very much.
13 CHAIR PORTER: Good luck to you.
14 Any other business that needs to come
15 before the TCB at this time?
16 (Pause)
17 CHAIR PORTER: Let's look at future
18 dates.
19 Our next board meeting, Lynn, is
20 April the --
21 MS. QUESTELL: 17th.
22 CHAIR PORTER: -- 17th, at 9:30 a.m.
23 MS. QUESTELL: Yes, sir.
24 CHAIR PORTER: Any announcements or
25 anything from board members?

1 (Pause)

2 CHAIR PORTER: Let's remember Katrina in
3 our prayers while she's out.

4 (Pause)

5 CHAIR PORTER: Hearing nothing else, I'll
6 take a motion to adjourn.

7 MEMBER SMITH: Motion to adjourn.

8 CHAIR PORTER: Motion by Mr. Smith. Do I
9 have a second?

10 MR. SNEED: Second.

11 CHAIR PORTER: Second by Mr. Sneed.

12 All in favor say "aye."

13 THE BOARD: Aye.

14 CHAIR PORTER: All opposed, like sign?

15 (Pause)

16 CHAIR PORTER: Motion to adjourn.

17 (End of the proceedings.)

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1 REPORTER'S CERTIFICATE

2 STATE OF TENNESSEE)
3 COUNTY OF SMITH:)

4 I, Amanda F. Martin, court reporter and
5 notary public in and for the State of Tennessee,
6

7 DO HEREBY CERTIFY that the foregoing
8 transcript of the proceedings were taken on the date and place
9 set forth in the caption thereof; that the proceedings were
10 stenographically reported by me in shorthand; and the
11 foregoing proceedings constitute a true and correct transcript
12 of said proceedings to the best of my ability.

13 I FURTHER CERTIFY that I am not related to
14 any of the parties named herein, nor their counsel, and have
15 no interest, financial or otherwise, in the outcome or events
16 of this action.

17 IN WITNESS WHEREOF, I have hereunto
18 affixed my official signature and seal of office, this 7th day
19 of March, 2008.

20

21

22

Amanda F. Martin
Notary Public, State of Tennessee

23

24

25

My Commission Expires: March 15, 2010.

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